

DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2005 AND 2004

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REPORT OF INDEPENDENT AUDITORS


To the Board of Directors
Davis Citizens' Coalition Against Violence

We have audited the accompanying consolidated statements of financial position of Davis Citizens' Coalition Against Violence (the "Coalition") as of June 30, 2005 and 2004, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Coalition's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Coalition as of June 30, 2005 and 2004, and the changes in net assets, its functional expenses, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2006 on our consideration of the Coalition's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audits.


Huber, Erickson & Bowman, LLC
January 17, 2006

Davis Citizens' Coalition Against Violence

Consolidated Statements of Financial Position

As of June 30, 2005 and 2004

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	2005	2004
Assets		
Cash and cash equivalents	\$ 108,219	\$ 115,921
Government grants receivable	49,797	92,429
Accounts receivable	-	1,600
Gift card inventory	2,283	3,157
Land, building, and equipment, net	2,360,366	2,419,639
Total Assets	\$ 2,520,665	\$ 2,632,746
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 4,330	\$ 115,424
Accrued liabilities	4,169	3,715
Note payable	-	192,681
Total Liabilities	8,499	311,820
Net Assets		
Unrestricted	1,900,699	1,685,096
Temporarily restricted	611,467	634,080
Permanently restricted	-	1,750
Total Net Assets	2,512,166	2,320,926
Total Liabilities and Net Assets	\$ 2,520,665	\$ 2,632,746

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Consolidated Statements of Activities

For the Years Ended June 30, 2005 and 2004

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	2005	2004
Changes in Unrestricted Net Assets		
Revenues		
Private and community support	\$ 242,679	\$ 245,089
Government grants:		
Federal	263,583	1,156,012
State	61,985	69,278
Gain on forgiveness of note payable	192,681	-
Interest income	1,115	2,043
Total Unrestricted Revenues	762,043	1,472,422
Net Assets Released from Restriction		
Restrictions satisfied by purpose	-	21,254
Expiration of time restrictions	24,363	23,920
Total Unrestricted Revenues and Other Support	786,406	1,517,596
Expenses		
Program Services		
Victim advocacy - transitional housing	85,924	-
Victim advocacy - shelter	363,026	333,303
Total Program Services	448,950	333,303
Supporting Services		
Management and general	107,047	127,992
Fundraising expense	14,806	23,738
Total Supporting Services	121,853	151,730
Total Expenses	570,803	485,033
Increase in Unrestricted Net Assets	215,603	1,032,563

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Consolidated Statements of Activities (Continued)

For the Years Ended June 30, 2005 and 2004

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	<u>2005</u>	<u>2004</u>
Changes in Temporarily Restricted Net Assets		
Net Assets Released from Restriction		
Restrictions satisfied by purpose	-	(21,254)
Expiration of time restrictions	<u>(22,613)</u>	<u>(23,920)</u>
Decrease in Temporarily Restricted Net Assets	<u>(22,613)</u>	<u>(45,174)</u>
Changes in Permanently Restricted Net Assets		
Net Assets Released from Restriction		
Expiration of time restrictions	<u>(1,750)</u>	<u>-</u>
Decrease in Permanently Restricted Net Assets	<u>(1,750)</u>	<u>-</u>
Increase in Net Assets	191,240	987,389
Net Assets at Beginning of Period	<u>2,320,926</u>	<u>1,333,537</u>
Net Assets at End of Period	<u><u>\$ 2,512,166</u></u>	<u><u>\$ 2,320,926</u></u>

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2005

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	Program Services			Supporting Services			Total Program and Supporting Services Expenses
	Victim Advocacy - Transitional Housing	Victim Advocacy - Shelter	Total	Management and General	Fund Raising	Total	
Payroll	\$ 37,276	\$ 219,130	\$ 256,406	\$ 61,095	\$ -	\$ 61,095	\$ 317,501
Depreciation	15,973	32,985	48,958	3,665	-	3,665	52,623
Building maintenance	6,223	24,514	30,737	2,724	-	2,724	33,461
Employee benefits	3,594	21,120	24,714	7,137	-	7,137	31,851
Payroll tax	3,295	19,373	22,668	5,401	-	5,401	28,069
Victims expense	24	22,693	22,717	-	-	-	22,717
Telephone	5,113	9,495	14,608	1,055	-	1,055	15,663
Fundraising	-	-	-	-	14,806	14,806	14,806
Utilities	6,112	7,224	13,336	803	-	803	14,139
Furniture and equipment	7,768	967	8,735	-	-	-	8,735
Accounting	-	-	-	8,451	-	8,451	8,451
Licenses and development	362	2,279	2,641	4,000	-	4,000	6,641
Office supplies	-	-	-	6,078	-	6,078	6,078
Printing	-	-	-	3,521	-	3,521	3,521
Gift card expense	184	2,318	2,502	-	-	-	2,502
Miscellaneous	-	-	-	2,197	-	2,197	2,197
Volunteers	-	928	928	-	-	-	928
Travel	-	-	-	920	-	920	920
Total Expenses	\$ 85,924	\$ 363,026	\$ 448,950	\$ 107,047	\$14,806	\$121,853	\$ 570,803

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2004

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	Program Services			Supporting Services			Total Program and Supporting Services Expenses
	Victim Advocacy - Transitional Housing	Victim Advocacy - Shelter	Total	Management and General	Fund Raising	Total	
Payroll	\$ -	\$ 184,312	\$ 184,312	\$ 83,391	\$ -	\$ 83,391	\$ 267,703
Depreciation	-	33,844	33,844	3,760	-	3,760	37,604
Employee benefits	-	17,539	17,539	7,838	-	7,838	25,377
Building maintenance	-	21,486	21,486	2,387	-	2,387	23,873
Fundraising	-	-	-	-	23,738	23,738	23,738
Payroll tax	-	14,713	14,713	6,656	-	6,656	21,369
Victims expense	-	21,301	21,301	-	-	-	21,301
VOCAP expense	-	15,000	15,000	-	-	-	15,000
Telephone	-	9,244	9,244	1,027	-	1,027	10,271
Utilities	-	9,073	9,073	1,008	-	1,008	10,081
Accounting	-	-	-	9,380	-	9,380	9,380
Office supplies	-	-	-	5,362	-	5,362	5,362
Miscellaneous	-	-	-	3,587	-	3,587	3,587
Furniture and equipment	-	2,434	2,434	-	-	-	2,434
Gift card expense	-	2,229	2,229	-	-	-	2,229
Printing	-	-	-	1,877	-	1,877	1,877
Travel	-	-	-	1,719	-	1,719	1,719
Licenses and development	-	1,119	1,119	-	-	-	1,119
Volunteers	-	1,009	1,009	-	-	-	1,009
Total Expenses	\$ -	\$ 333,303	\$ 333,303	\$ 127,992	\$23,738	\$151,730	\$ 485,033

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2005 and 2004

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	2005	2004
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 191,240	\$ 987,389
Adjustments to Reconcile Increase in Net Assets to Net Cash (Used for) Provided by Operating Activities:		
Depreciation	52,622	37,605
Gain on forgiveness of note payable	(192,681)	-
(Increase) decrease in assets:		
Grants receivable	42,632	(57,470)
Accounts receivable	1,600	(1,600)
Gift card inventory	874	(3,157)
Increase (decrease) in liabilities:		
Accounts payable	(104,443)	104,912
Accrued liabilities	454	(2,519)
Deferred revenue	-	(10,713)
Total Adjustments	(198,942)	67,058
Net Cash (Used for) Provided by Operating Activities	(7,702)	1,054,447
Cash Flows from Investing Activities		
Cash payments for land, building, and equipment	-	(1,234,677)
Net Cash Used for Investing Activities	-	(1,234,677)
Net Decrease in Cash and Cash Equivalents	(7,702)	(180,230)
Cash and Cash Equivalents, Beginning of Period	115,921	296,151
Cash and Cash Equivalents, End of Period	\$ 108,219	\$ 115,921

Supplemental Disclosures of Non-Cash Investing and Financing Activities:

During the year ended June 30, 2005, the trust deed note secured by land used for the Shelter was forgiven and \$192,681 in gain on forgiveness of note payable was recognized in income.

The accompanying notes are an integral part of these financial statements.

Davis Citizens' Coalition Against Violence

Notes to Consolidated Financial Statements

June 30, 2005 and 2004

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NOTE 1: HISTORY AND ACTIVITY

Davis Citizens' Coalition Against Violence (the Coalition) operates from government grants, public support, and funds received from the United Way. The Coalition's main purpose is to aid people in Davis County who have suffered from domestic violence.

The Coalition was established in 1994 as a not-for-profit organization for the purpose of constructing and maintaining a shelter where victims of domestic violence can go for safety and counseling, and to establish a program for the advocacy of victims of domestic violence. During 2004, the Coalition completed construction of a transitional housing complex for victims of domestic violence (see Notes 6 and 9).

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

The accounting policies of the Davis Citizens' Coalition Against Violence conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The financial statements are presented in accordance with Financial Accounting Standards Board Statement No. 117, "Financial Statements of Not-for-Profit Organizations."

Basis of Accounting

The accompanying financial statements include the consolidated accounts and operations of Davis Citizens' Coalition Against Violence and its wholly owned subsidiary, Safe Harbor Transitional Housing, L.L.C.

The Coalition uses the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Support and other gifts are recorded as restricted if they are received with donor stipulation that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Coalition reports gifts of long-lived assets as unrestricted support unless explicit donor stipulations specify how the donated long-lived assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Restricted funds may only be utilized in accordance with the purpose established by the source of such funds. The Board of Directors in achieving its purposes and continuing the operations of the Coalition may utilize unrestricted funds.

Davis Citizens' Coalition Against Violence

Notes to Consolidated Financial Statements

June 30, 2005 and 2004

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NOTE 2: SUMMARY OF ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Coalition defines cash and cash equivalents as all funds in banks and highly liquid investments with original maturities of less than three months.

Land, Building, and Equipment

Land, building and equipment are recorded at cost. Normal maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation is recorded using the straight-line method with a useful life of 5 to 7 years for equipment, and 40 years for the buildings. The coalition generally capitalizes land, buildings, and equipment expenditures in excess of \$1,000.

Compensated Absences

Coalition employees are entitled to certain compensated absences based on their length of employment. Vacation and sick leave do not accumulate from year to year. The coalition does not accrue sick leave benefits as allowed by Statement on Financial Standards No. 43.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The Coalition is located in Davis County, Utah and relies heavily on county government and individuals for support. Additionally, Utah State and federal government agencies are critically important as a source funding.

Reclassifications

Certain reclassifications have been made to the June 30, 2004 financial statements in order to conform to the June 30, 2005 financial statement presentation.

Davis Citizens' Coalition Against Violence

Notes to Consolidated Financial Statements

June 30, 2005 and 2004

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NOTE 3: CASH AND CASH EQUIVALENTS

The following schedule reflects the June 30, 2005 and 2004 balances of cash and cash equivalents. All cash and cash equivalents are shown at cost, which approximates market value. At June 30, 2005 and 2004, the Coalition had bank balances in excess of FDIC insured limits of \$10,463 and \$21,015, respectively.

	Interest Rate	<u>2005</u>	<u>2004</u>
Barnes Bank Checking	N/A	\$ 449	\$ (2,465)
Barnes Bank Sweep	1.00%	<u>107,770</u>	<u>118,386</u>
Total Cash and Cash Equivalents		<u>\$ 108,219</u>	<u>\$ 115,921</u>

NOTE 4: GRANTS RECEIVABLE

The Coalition receives cost-reimbursement grants from State and Federal sources. At June 30, 2005 and 2004, the Coalition had requested \$49,797 and \$92,429 in reimbursements for costs expended during years ended June 30, 2005 and 2004, respectively. The Coalition has received all amounts from grants in prior years; therefore, Coalition management believes that an allowance for uncollectible amounts is not necessary.

NOTE 5: INCOME TAXES

The Internal Revenue Service has granted an exemption from income taxes to the Coalition under Section 501(c) 3 of the Internal Revenue Code. A similar exemption applies for state income tax; therefore, no provision for income taxes has been recorded.

Davis Citizens' Coalition Against Violence

Notes to Consolidated Financial Statements

June 30, 2005 and 2002

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NOTE 6: LAND, BUILDING, AND EQUIPMENT

The following is a summary of land, building, and equipment at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Land	\$ 194,431	\$ 194,431
Building	2,330,479	1,052,677
Equipment	42,211	42,211
Land Improvements	37,605	37,605
Construction in Progress (see Notes 1 and 9)	-	1,284,453
	2,604,726	2,611,377
Accumulated depreciation	<u>(244,360)</u>	<u>(191,738)</u>
	<u>\$ 2,360,366</u>	<u>\$ 2,419,639</u>

Depreciation expense was \$52,623 and \$37,046 for the years ended June 30, 2005 and 2004, respectively.

NOTE 7: RESTRICTED NET ASSETS

Permanently restricted net asset is the book value of land less the note payable to the State of Utah.

	<u>2005</u>	<u>2004</u>
Land	\$ -	\$ 194,431
Note payable	-	(192,681)
	<u>\$ -</u>	<u>\$ 1,750</u>

This land was restricted for the purpose of housing a shelter for victims of domestic violence. The funds were from a mortgage grant from the State of Utah, Olene Walker Trust Fund. The mortgage was due May 31, 2005, but was forgiven by the State because the Coalition successfully built and maintained the shelter during that term. Accordingly, during the year ended June 30, 2005, the land and note payable were released from restriction upon satisfying the time restrictions required under the agreement.

Davis Citizens' Coalition Against Violence

Notes to Consolidated Financial Statements

June 30, 2005 and 2004

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NOTE 7: RESTRICTED NET ASSETS (CONTINUED)

Temporarily restricted net assets consist of the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Building	\$ 749,984	\$ 749,984
Equipment	23,965	23,965
Land improvements	15,629	15,629
Accumulated depreciation	<u>(178,111)</u>	<u>(155,498)</u>
Net building and equipment	611,467	634,080
Funds contributed for construction of transitional housing complex	-	75,000
Less: funds used for construction of transitional housing complex	<u>-</u>	<u>(75,000)</u>
Total temporarily restricted net assets	<u>\$ 611,467</u>	<u>\$ 634,080</u>

NOTE 8: NOTES PAYABLE

Until May 31, 2005, there was a trust deed note secured by land to the State of Utah, Olene Walker Housing Trust Fund, for \$192,681, 0% per annum. This note was related to the 1994-95 Domestic Violence Shelters Contract Agreement. The contract states that the mortgage will be forgiven after ten years if the goals of the project had been met, otherwise a single payment of the principal would be due May 31, 2005. No interest accrues with the note; therefore no interest expense was recorded for the years ended June 30, 2005 and 2004. During the current year the contract terms were met and the note was forgiven and the land was deeded over to the Coalition.

OTHER REPORTS

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



To the Board of Directors
Davis Citizens' Coalition Against Violence

We have audited the financial statements of Davis Citizens' Coalition Against Violence (the Coalition) as of and for the year ended June 30, 2005, and have issued our report thereon dated January 17, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

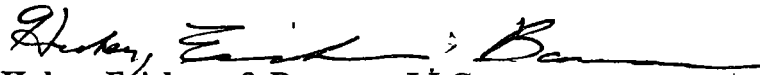
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Coalition's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted not matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coalition's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, others within the organization and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


Huber, Erickson & Bowman, LLC
January 17, 2006